



DAVID SANDERS, PH.D.
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
425 Shatto Place -- Los Angeles, California 90020
(213) 351-5602

April 25, 2006

Board of Supervisors
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First District
YVONNE B. BURKE
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TO: Mayor Michael D. Antonovich
Supervisor Zev Yaroslavsky, Chair Pro Tem
Supervisor Yvonne B. Burke
Supervisor Gloria Molina
Supervisor Don Knabe

FROM: David Sanders, Ph.D. 
Director

APRIL 26, 2005 BOARD AGENDA ITEM #22: REFUGIO PARA NIÑOS MONTHLY REPORT

The Department of Children and Family Services (DCFS) has been charged with providing monthly reports on the Refugio Foster Family Agency (Refugio) to the Board. In previous monthly reports, we assessed Refugio's level of compliance with their Corrective Action Plan (CAP). However, since our last report, Refugio has indicated that they no longer wish to continue to contract with the County to provide foster care services. This report will focus on addressing this issue, summarizing the monitoring visit conducted by DCFS Out-of-Home Care Management Division (OHCMD) and fiscal reports from the Auditor-Controller (A-C) and the DCFS Fiscal Monitoring and Special Payments Section, which outline the activities for March 2006.

PLAN OF ACTION

On March 14, 2006, Refugio representatives announced the agency had initiated the process of closing their Los Angeles, San Bernardino, and Orange County Foster Family Agency offices.

COUNTY AND STATE CONSIDERATIONS

Fiscal obligations: On April 17, 2006, the DCFS Fiscal Monitoring and Special Payments Section provided the OHCMD with a copy of the Settlement Agreement with Refugio, in which the agency paid DCFS \$425,000 on April 14, 2006 as the final settlement agreement. Therefore, there will not be any fiscal audits or reviews. A copy of the Settlement Agreement is attached (Attachment I).

Termination of LA County Contract and Relinquishment of License with the State of California: On April 12, 2006, Refugio mailed letters to the Contract Administration Section within DCFS, Community Care Licensing and Foster Care Rates Bureau initiating the process of terminating the Contract for convenience. A copy of the letter indicating Refugio's intention to terminate the Contract for convenience is attached (Attachment II).

Refugio's certified homes and foster children: As of April 10, 2006, Refugio had nine certified foster parents and 24 placed children under its supervision. Refugio held a meeting with their certified foster parents on February 26, 2006 informing them of their intent to close the agency; however, some of Refugio's foster parents began voluntarily de-certifying in January 2006. Refugio began transitioning foster parents into different agencies. A majority of foster parents became certified or are in the process of certifying with McKinley Children's Center Foster Family Agency (FFA). As of March 31, 2006, the following was a breakdown of where the foster parents certified during transition:

- Fifteen (15) foster parents chose not to certify with another agency. There were no children placed in these homes
- Sixty-seven (67) foster parents certified with McKinley FFA. The children remained placed in these homes.
- Nine foster parents certified with Homes of Hope FFA. The children remained placed in these homes.
- Three foster parents certified with There is Hope, Incorporated, a San Bernardino County agency. There were no Los Angeles County Children placed with this agency.

DCFS MONITORING VISITS

Refugio maintained sufficient staff to provide full care and services to the children and foster parents remaining under its supervision during this transition and have ensured the safety of placed children. OHCMD monitors have conducted visits to a sample of homes and made daily telephone contacts to ensure child safety since Refugio

announced the intention to close. Further, Refugio has maintained communication with DCFS social workers and provided the OHCMD with updated lists of remaining children and certified homes at least twice weekly.

SAFETY

In preparation for monitoring for the safety outcome, the DCFS Monitor researched OHCMD's I-track database to query for Special Incident Reports (SIRs) and CWS/CMS Child Protection Hotline (CPHL) referrals from March 15, 2006 to April 15, 2006.

There was one CPHL referral dated April 4, 2006 regarding allegations of prior sexual abuse to a 13-year-old child by a Refugio certified foster parent. The referral was evaluated out, as the foster parent had been de-certified in 2003. The information was reported to the local police department and they interviewed the alleged victim.

OHCMD found that Refugio has been reporting special incidents in accordance with the reporting requirements as stipulated in the Contract, Section 10.0, Program Reporting Requirements. For this reporting period (March 15, 2006 to April 15, 2006), Refugio filed six SIRs. Our current review indicates that the kinds of incidents reported to take place are not unusual.

BOARD STRUCTURE

Refugio's CAP requires that the agency's Board of Directors is to consist of seven members at all times. On April 12, 2006, Refugio's Executive Director reported that its Board has seven members, which was confirmed by the OHCMD.

Refugio did not hold a Board of Directors meeting in March 2006. The Executive Director reported that she is in contact with Refugio's Board and keeps them informed of the agency's operations.

CONCLUSION

At this time, Refugio's date of official closure is undecided. Refugio reports they expect all children and foster parents to be fully transitioned by the end of April 2006. We will provide a final report to the Board in May, 2006 with Refugio's progress to terminate its County Contract with DCFS Contract Administration Section, terminate or relinquish its licensure with Community Care Licensing, as well as the transfer of all foster parents to another agency.

Each Supervisor
April 25, 2006
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If you have any questions please call me, or your staff may contact Helen Berberian,
Board Relations Manager at (213) 351-5530.

DS:LP:ES
EH:dv

c: Chief Administrative Officer
Auditor Controller
County Counsel
Board of Supervisors Executive Officer

ATTACHMENT I

2006-04-17/2006-53-29 DCFS Glendale Office

LA COUNTY COUNSEL

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SETTLEMENT AGREEMENT

This Settlement and Release Agreement (the "Agreement") is made and entered into as of April 13, 2006 by and between the COUNTY OF LOS ANGELES (hereinafter "COUNTY") and REFUGIO PARA NINOS, a California non-profit, public benefit corporation (hereinafter "REFUGIO").

RECITALS

1. The Department of Auditor-Controller of COUNTY, pursuant to a contract dated January 1, 1996, performed a fiscal audit of REFUGIO's Foster Family Agency program for the fiscal period November 1, 1998 to October 31, 1999, and as reflected in the report entitled, "Fiscal Audit of Refugio Para Ninos - A Foster Family Agency Foster Care Contractor" dated September 5, 2000 ("SEPTEMBER 2000 AUDIT REPORT").
2. The SEPTEMBER 2000 AUDIT REPORT identified \$759,006 in questioned expenditures and makes certain findings regarding REFUGIO Foster Family Agency program.
3. Resulting from negotiations between the COUNTY and REFUGIO and a March 2003 Informal Hearing, REFUGIO's obligation was reduced to \$233,456, which REFUGIO's Board of Directors agreed to pay.
4. The Department of Auditor-Controller of COUNTY, in reference to the contract dated September 2003, issued a report entitled Allegations Against Refugio Para Ninos FFA, dated January 18, 2005.
5. The report entitled Allegations Against Refugio Para Ninos FFA, dated January 18, 2005, identified \$858,609 in questioned expenditures and makes certain findings regarding REFUGIO Foster Family Agency program.
6. In October 2004 REFUGIO sought a writ of mandate under Section 1085 of the Code of Civil Procedure disputing its obligation to repay to the COUNTY questioned expenditures identified in the SEPTEMBER 2000 AUDIT REPORT.
7. With the above petition for writ of mandate still pending, REFUGIO and COUNTY executed a Foster Family Agency Agreement for foster care services effective April 28, 2005 through August 31, 2006 contingent upon REFUGIO withdrawing its petition for writ of mandate, with prejudice, and agreeing to a corrective action plan aimed at ensuring its fiscal responsibility. REFUGIO further agreed (1) to repay to the COUNTY the remaining obligation of the \$233,456 from the SEPTEMBER 2000 AUDIT REPORT; (2) repay the sum of \$858,609 from the January 18, 2005 Allegations Against Refugio Para Nino FFA report.
8. COUNTY and REFUGIO agreed that the aggregate obligation totaling \$1,092,065 be reduced by the allowed fund raising expenditures incurred by REFUGIO and as determined by the Department of the Auditor-Controller in the amount of \$302,383.

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LA COUNTY COUNSEL

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9. REFUGIO and the COUNTY executed an installment plan on May 23, 2005, allowing REFUGIO to repay the remaining obligation of \$789,682 in monthly installments in the amount of \$6505.00 commencing June 10, 2005 after an initial down payment in the amount of \$9091.67.

10. Since June 10, 2005, REFUGIO has made 11 monthly payments of \$6505 each, totaling \$71,555

11. The outstanding balance of REFUGIO's obligation pursuant to the Foster Family Agency Agreement dated April 28, 2005 and the subsequent repayment plan dated May 23, 2005 is \$709,035.33.

TERMS

In consideration of the mutual promises, covenants and conditions contained herein, REFUGIO and COUNTY agree as follows:

1. This Agreement constitutes a full and complete settlement of all disputed issues arising from the Foster Family Agency Agreement April 28, 2005 and the subsequent repayment agreement executed on May 23, 2005 by and between REFUGIO and COUNTY.
2. Neither REFUGIO nor COUNTY admits any liability, responsibility, or wrongdoing in connection with the performance under the Foster Family Agency Agreement April 28, 2005 and the subsequent May 23, 2005 repayment agreement.
3. REFUGIO agrees to pay to COUNTY the sum of \$425,000 immediately upon execution of this Agreement and no later than April 14, 2006.
4. COUNTY, in consideration of the payment identified in paragraph 3 above, hereby fully releases and discharges REFUGIO, its directors, officers, employees and its successors in interest from, and relinquishes all rights, claims and actions that COUNTY now has or may have after execution of this Agreement against REFUGIO and REFUGIO's successors in interest arising out of or related to Exhibit U of the Foster Family Agency Agreement dated April 28, 2005 and the subsequent repayment agreement executed on May 23, 2005.
5. COUNTY acknowledges and agrees that this Release applies to all claims for injuries, damages or losses to COUNTY whether known or unknown, foreseen or unforeseen, that COUNTY may have against REFUGIO, its directors, officers, and employees arising out of or related to Exhibit U of the Foster Family Agency Agreement April 28, 2005 and the subsequent repayment agreement executed on May 23, 2005, and COUNTY hereby waives application of Civil Code section 1542. COUNTY certifies that it has read the following provisions of Civil Code section 1542:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

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6. REFUGIO hereby fully releases and discharges COUNTY and its successors in interest from, and relinquishes all rights, claims and actions that REFUGIO now has or may have after execution of this Release against COUNTY and COUNTY's successors in interest arising out of or related to the Foster Family Agency Agreement April 28, 2005 and the subsequent repayment agreement executed on May 23. REFUGIO acknowledges and agrees that this Release applies to all claims for injuries, damages or losses to REFUGIO whether known or unknown, foreseen or unforeseen, that REFUGIO may have against COUNTY and REFUGIO hereby waives application of Civil Code section 1542. REFUGIO certifies that it has read the following provisions of Civil Code section 1542:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year identified below.

Dated: 4/13/, 2006

REFUGIO PARA NINOS

By

Katherine Gayle Thomas
[Name]
Executive Director
[Title]

Dated: April 13, 2006

COUNTY OF LOS ANGELES

By

Andrew W. Owens
[Name]
Assistant County Counsel
[Title]

2006-04-17 2006:57:20 DCFS Glendora-Office

LA COUNTY COUNSEL

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From Refugio
4/13/06

 Washington Mutual Bank, FA

15-3717/1220

854397046

WASHINGTON
MUTUAL
425000.00
 FOUR TWO FIVE ZERO ZERO ZERO DOLLARS AND 00 CENTS

*****Apr 13, 2006 425 THOUSAND DOLLARS AND 00 CENTS*****

 PAY TO THE ORDER OF
 DCFS FISCAL MONITORING
 AND SPECIAL PAYMENT


Washington Mutual Bank, FA

 DRAWER / PURCHASER COPY
 NON-NEGOTIABLE

 REMITTER
 REFUGIO PARA NIÑOS

1640 113

Issued by Integrated Payment Systems Inc., Englewood, Colorado Wells Fargo Bank Ltd, N.A., Los Angeles, CA

 Washington Mutual Bank, FA

15-3717/1220

854397046

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

*****Apr 13, 2006 425 THOUSAND DOLLARS AND 00 CENTS*****

 PAY TO THE ORDER OF
 DCFS FISCAL MONITORING
 AND SPECIAL PAYMENT

DRAWER: Washington Mutual Bank, FA

 AUTHORIZED SIGNATURE
 REMITTER
 REFUGIO PARA NIÑOS

1640 113

Issued by Integrated Payment Systems Inc., Englewood, Colorado Wells Fargo Bank Ltd, N.A., Los Angeles, CA

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Attachment II

Refugio Para Niños
Foster Family Agency

County of Los Angeles
Department of Children and Family Services
Contracts Administration
425 Shatto Place
Los Angeles, Ca. 90020
Attn: Walter Chan

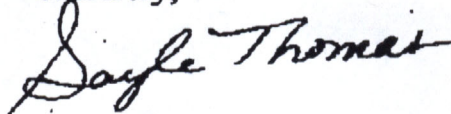
Apr. 12, 2006

Dear Mr. Chan,

Please accept this written notification of Refugio Para Ninos Foster Family Agency's intention to terminate our LA County Contract with the Department of Children and Family Services for convenience. In addition, it is our intention to surrender our FFA License # 19780107, 366403919 and 1306099625 once all children have been transferred from our care. We anticipate that this should be accomplished within the next 30 days.

Thank you for your attention to this matter. If you have any questions, you may contact our CFO, Roland Navarro or myself.

Sincerely,



Gayle Thomas
Executive Director

Cc Refugio Para Ninos Board of Directors
Foster Care Audits and Rates Bureau—Nancy Littlefield Fax # 916- 654-1953
Community Care Licensing—Angelica Lopez Fax # 323-981-3425